

State of Iowa
Projected Condition of the General Fund Budget
(In Millions)

	Actual	Estimated	LSA
	FY 2018	FY 2019	Projection
			FY 2020
Funds Available:			
Net Receipts/Dec. Est.	\$ 7,383.9	\$ 7,728.6	\$ 7,868.4
March REC Adjustment	0.0	5.0	- 20.0
Subtotal	<u>\$ 7,383.9</u>	<u>\$ 7,733.6</u>	<u>\$ 7,848.4</u>
Surplus Carryforward	0.0	71.0	100.2
Total Funds Available	<u>\$ 7,383.9</u>	<u>\$ 7,804.6</u>	<u>\$ 7,948.6</u>
Expenditure Limitation			\$ 7,870.1
Estimated Appropriations and Expenditures:			
Enacted Appropriations/FY 2020 Baseline	\$ 7,268.6	\$ 7,480.2	\$ 7,474.8 ³
Adjustments to Standings	15.8	- 5.4 ¹	0.0
Supplemental/Deappropriations	- 23.3	144.5 ²	0.0
Built-In and Anticipated Increases	0.0	0.0	141.8
Total Appropriations	<u>\$ 7,261.1</u>	<u>\$ 7,619.3</u>	<u>\$ 7,616.6</u>
Reversions	- 4.5	- 5.2	- 5.0
Net Appropriations	<u>\$ 7,256.6</u>	<u>\$ 7,614.1</u>	<u>\$ 7,611.6</u>
Ending Balance – Surplus	<u>\$ 127.3</u>	<u>\$ 190.5</u>	<u>\$ 337.0</u>
Under (Over) Expenditure Limitation			<u>\$ 253.5</u>

¹ The estimated FY 2019 standing appropriations were revised to reflect a \$6.9 million reduction to State School Aid and an estimated increase of \$1.5 million in State Appeal Board claims.

² Assumes supplemental appropriations to cover estimated increased costs in FY 2019 for the following programs: Medicaid (\$141.1 million); Indigent Defense (\$2.5 million); Administrative Services utilities (\$0.5 million); Iowa Law Enforcement Academy relocation (\$0.3 million); and Iowa Public Television operations (\$0.1 million).

³ The FY 2020 Baseline appropriation is equal to the FY 2019 Enacted Appropriations plus the FY 2019 Adjustments to Standings.

State of Iowa Reserve Funds

(In Millions)

	Actual	Estimated	LSA Projection
	FY 2018	FY 2019	FY 2020
<u>Cash Reserve Fund</u>			
Funds Available			
Balance Brought Forward	\$ 422.4	\$ 442.4	\$ 571.6
General Fund Transfer from Surplus	0.0	127.3	190.5
Special General Fund Appropriation	20.0	113.1	0.0
Total Funds Available	<u>\$ 442.4</u>	<u>\$ 682.8</u>	<u>\$ 762.1</u>
Transfer to Economic Emergency Fund	0.0	-111.2	-173.5
Balance	<u>\$ 442.4</u>	<u>\$ 571.6</u>	<u>\$ 588.6</u>
<i>Maximum 7.5%</i>	\$ 552.8	\$ 571.6	\$ 588.6

Economic Emergency Fund

Funds Available			
Balance Brought Forward	\$ 182.9	\$ 177.9	\$ 190.5
Excess from Cash Reserve	0.0	111.2	173.5
Executive Council – Performance of Duty	-18.0	-14.2	-7.6
Transfers to and from the General Fund	13.0	0.0	0.0
Total Funds Available	<u>\$ 177.9</u>	<u>\$ 274.9</u>	<u>\$ 356.4</u>
Excess Surplus	\$ 0.0	\$ -84.4	\$ -160.2
Balance	<u>\$ 177.9</u>	<u>\$ 190.5</u>	<u>\$ 196.2</u>
<i>Maximum 2.5%</i>	\$ 184.3	\$ 190.5	\$ 196.2

Distribution of Excess Surplus

Transfer to General Fund	\$ 0.0	\$ 71.0	\$ 100.2
Transfer to Taxpayer Relief Fund	0.0	13.4	60.0
Total	<u>\$ 0.0</u>	<u>\$ 84.4</u>	<u>\$ 160.2</u>

Combined Reserve Fund Balances

Cash Reserve Fund	\$ 442.4	\$ 571.6	\$ 588.6
Economic Emergency Fund	177.9	190.5	196.2
Total	<u>\$ 620.3</u>	<u>\$ 762.1</u>	<u>\$ 784.8</u>

FY 2020 General Fund Built-In and Anticipated Expenditures
March 2019
(In Millions)

		LSA
		Estimate
<u>Built-In Changes</u>		
1. Human Services – Medical Assistance	\$	81.0
2. Management – Technology Reinvestment Fund		17.5
3. Education – Instructional Support Program		14.8
4. Human Services – hawk-i		12.0
5. Education – K-12 School Foundation Aid		96.4
6. Human Services – Adoption Subsidy		3.6
7. Management – State Appeal Board Claims		2.9
8. College Aid – College Work Study Standing		2.8
9. Education – Nonpublic School Transportation		2.0
10. Human Services – Child and Family Services		1.4
11. Economic Development Authority – World Food Prize		0.6
12. Economic Development Authority – Tourism Marketing		0.3
13. Cultural Affairs – County Endowment Fund		0.1
14. Management – Transportation Equity Fund		7.8
15. Management – FY 2019 One-Time Cash Reserve Appropriation		-113.1
Subtotal	<u>\$</u>	<u>130.1</u>
<u>Anticipated Expenditure Changes</u>		
16. Management – Salary Adjustment	\$	8.3
17. Human Services – Adoption Subsidy Program		2.9
18. Corrections – Pharmaceutical Costs at Oakdale		0.5
Subtotal	<u>\$</u>	<u>11.7</u>
Total	<u><u>\$</u></u>	<u><u>141.8</u></u>

State of Iowa
Adjusted Revenue Estimate
and Reserve Fund Goal Calculations

(In Millions)

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
REC Estimate	\$ 7,357.4	\$ 7,364.5	\$ 7,527.0	\$ 7,848.4
Revenue Adjustments	22.6	6.0	94.9	0.0
Adjusted Revenue Estimate	<u>\$ 7,380.0</u>	<u>\$ 7,370.5</u>	<u>\$ 7,621.9</u>	<u>\$ 7,848.4</u>
<u>Reserve Fund Goals</u>				
Cash Reserve Fund	\$ 553.5	\$ 552.8	\$ 571.6	\$ 588.6
<i>Statutory Percentage</i>	7.5%	7.5%	7.5%	7.5%
Economic Emergency Fund	184.5	184.3	190.5	196.2
<i>Statutory Percentage</i>	2.5%	2.5%	2.5%	2.5%
Total	<u>\$ 738.0</u>	<u>\$ 737.1</u>	<u>\$ 762.1</u>	<u>\$ 784.8</u>

Taxpayer Relief Fund

(In Millions)

	<u>Actual FY 2018</u>	<u>Estimated FY 2019</u>	<u>Estimated FY 2020</u>
Funds Available			
Balance Brought Forward	\$ 8.3	\$ 8.4	\$ 13.4
General Fund Surplus Transfer	0.0	13.4	60.0
Interest	0.1	0.0	0.0
Total Funds Available	<u>\$ 8.4</u>	<u>\$ 21.8</u>	<u>\$ 73.4</u>
Expenditures			
Transfer to the General Fund	\$ 0.0	\$ - 8.4	\$ 0.0
Reversion of Tax Credit Fund	0.0	0.0	0.0
Ending Balance	<u>\$ 8.4</u>	<u>\$ 13.4</u>	<u>\$ 73.4</u>

Taxpayer Relief Fund Calculation

Calculation for Surplus Allocation

(In Millions)

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Net General Fund Receipts Actual/Est.	\$ 7,240.0	\$ 7,383.9	\$ 7,733.6 *
Adjusted Revenue Estimate	- 7,380.0	- 7,370.5	- 7,621.9
Difference	<u>\$ - 140.0</u>	<u>\$ 13.4</u>	<u>\$ 111.7</u>

Notes:

The calculation to determine the transfer of excess General Fund surplus dollars to the Taxpayer Relief Fund is determined by subtracting the adjusted revenue estimate for the previous fiscal year from the year-end actual net General Fund receipts of the previous fiscal year. If the result is positive, up to \$60.0 million is transferred to the Taxpayer Relief Fund. The \$60.0 million transfer limit is repealed beginning in FY 2021.

* FY 2019 net General Fund receipts number is based on the Revenue Estimating Conference (REC) estimate from March 2019.

State Tax Credit Expected Claims Projection

(In Millions)

Tax Credit Program	Actual FY 2018	Est FY 2019	Est FY 2020
<u>Capped Programs</u>			
Historic Preservation Tax Credit	\$ 60.2	\$ 55.4	\$ 58.1
High Quality Jobs Program	37.8	53.3	44.4
Workforce Housing Tax Incentive Program	9.0	17.2	16.5
School Tuition Organization Tax Credit	11.7	11.5	12.2
Enterprise Zone Program – Housing Component	8.0	10.0	3.7
All Other Programs	36.3	45.4	42.8
Total Capped Programs	\$ 163.0	\$ 192.8	\$ 177.8
<u>Uncapped Programs</u>			
Earned Income Tax Credit	\$ 68.2	\$ 70.5	\$ 71.2
Research Activities Tax Credit	70.7	68.9	65.9
Iowa Industrial New Jobs Training Program (260E)	37.7	43.7	42.7
Biodiesel Blended Fuel Tax Credit	17.5	19.6	22.2
Tuition and Textbook Tax Credit	14.9	15.1	15.2
All Other Programs	23.4	27.5	26.5
Total Uncapped Programs	\$ 232.5	\$ 245.3	\$ 243.7
Tax Credit Program Total	\$ 395.5	\$ 438.1	\$ 421.5

Notes:

These estimates are based on the Tax Credit Expected Claims Projection published by the Department of Revenue in March 2019 in the Tax Credits Contingent Liabilities Report. The table above reflects the tax credits that are likely to be claimed in a given fiscal year based on the previous year.

The numbers may not equal totals due to rounding.